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FISCAL IMPACT STATEMENT

LS 7048

BILL NUMBER: HB 1341

NOTE PREPARED: Jan 12, 2015

BILL AMENDED:

SUBJECT: Insurance Matters.

FIRST AUTHOR: Rep. Lehman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill has the following provisions:

- (1) Corrects a conflict concerning payment of expenses of the Department of Insurance (DOI) from the General Fund.
- (2) Amends the law concerning internal audits of domestic insurer and insurer group financial statements.
- (3) Requires an insurer or insurance group to file an annual corporate governance disclosure with the Commissioner of the DOI.
- (4) Specifies requirements concerning use and disclosure of information related to the annual corporate governance disclosure.
- (5) Removes a requirement for placement of the Commissioner of the DOI's signature on approval of a proposed insurer.
- (6) Defines "designated home state license" and provides for the licensure for certain out-of-state insurance producers.
- (7) Specifies a designated home state license fee.
- (9) Adds certain: (a) guarantees made by an insurer; and (b) acquisitions or investments; to the list of transactions between a domestic insurer and another person in an insurance holding company system that require prior notice to the Commissioner.
- (10) Repeals and replaces a section of the public adjuster law concerning public adjuster violations and penalties.
- (11) Excludes information related to title insurance from the law concerning electronic posting or delivery of insurance notices and documents.
- (12) Removes a requirement that a policy insure more than four automobiles for purposes of application of the law concerning cancellation of automobile insurance policies.

- (13) Provides for issuance of group casualty and liability insurance in certain circumstances.
- (14) Amends the definition of "small employer" to conform to federal law.
- (15) Provides for registration renewal annually on the last day of the month of issuance, rather than on June 30 of each year, for claim review agents and utilization review agents.
- (16) Removes an annual reporting requirement by the Police Benefit Fund to the DOI.

Effective Date: July 1, 2015; January 1, 2016.

Explanation of State Expenditures: This bill adopts National Association of Insurance Commissioners (NAIC) model language regarding (1) audited financial statements, (2) corporate governance, (3) designated home state producer, and (4) insurance holding company system regulation, which the state is required to adopt as a condition of Indiana's NAIC accreditation standards.

Explanation of State Revenues: If this bill increases insurance premiums paid in the state, the General Fund could receive additional revenue from taxes paid on insurance premiums. Any increase in General Fund revenue is indeterminable, but expected to be minimal.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOI.

Local Agencies Affected:

Information Sources: Tyler Ann McGuffey, DOI.

Fiscal Analyst: Bill Brumbach, 232-9559